

BLUE RIDGE LUMBER CO. LLC
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TESTIMONY HOUSE COMMITTEE ON AGRICULTURE

JULY 17, 2006

Mr. Chairman and members of the committee good morning; welcome to Staunton Virginia. I am Tom Sheets President of Blue Ridge Lumber Co. and I am honored to be here and speak to you about Blue Ridge Lumber and the Hardwood Lumber Industry.

BLUE RIDGE LUMBER:

1. Founded by John Root in 1981
2. 150+ Employees and 50+ Contractually
3. Payroll of 4+ million dollars a year
4. Sales of 32 million dollars a year
5. Export sales of 15+ million dollars a year .
6. Purchase 15 million dollars a year in timber and logs

Blue Ridge Lumber has accomplished this with little help from the Local, State or Federal Government. The Hardwood Lumber Industry usually does not ask for much in the way of direct subsidies; however I would like to raise your awareness in a few areas.

ACCESS TO TIMBER:

95% of my raw material comes from privately owned land. For this practice to continue it is important to consider:

1. Maintaining or lowering the current capital gains tax rate.
2. Encourage the conservation of Timber Lands
3. Do not over regulate the Hardwood Lumber Industry or the private Timber Land owners.
4. Much of the private land that we currently harvest will never be harvested again due to development or environmental pressures on local governments. Therefore it is important for our government to reconsider the role of the National Forest and return to a more balanced use, a true multiple use, by allowing greater access to an under used resource.

MARKETS:

The Hardwood Lumber Industry participates in a Global Free Market with prices being established practically daily. Wood fiber is so specific in its uses; we need to market our products worldwide. Currently Blue Ridge Lumber sells to more than 20 countries including 2 Communist countries. I have visited Cuba twice on trade missions. To assist our industry I ask you to consider the following:

1. Increase funding to the American Hardwood Export Council. (AHEC) AHEC promotes the use of American Hardwoods in foreign markets.

2. Recognize, encourage and reward biomass conversion into energy. At Blue Ridge Lumber we have operated a wood fired gasification boiler since 1993 and receive a tax credit based on the amount of BTU's created.
3. Export sales are such a large percentage of our sales we need to continue with smooth, fast international banking transactions. My concern here is Home Land Security regulations and their effect on small business owners.
4. Maintain efficient ports with adequate access for export of material. I believe Virginia does a very good job with this.

In closing I want to remind you that I am not a spokesman for the entire Hardwood industry. I am speaking as the President of Blue Ridge Lumber Company, a small sawmill that has realized the American business dream. We grew from a small sawmill selling green rough lumber to a local market into a multi million dollar company providing lumber to a worldwide market. This was accomplished by our ideas and hard work, not by government subsidies. I'm not asking for much but I truly believe these issues are important to my company and to my industry.

Thank You,